

ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF THE BOARD OF DIRECTORS )  
FOR UTILITIES OF THE DEPARTMENT OF )  
PUBLIC UTILITIES OF THE CITY OF )  
INDIANAPOLIS, AS SUCCESSOR TRUSTEE )  
OF A PUBLIC CHARITABLE TRUST, D/B/A )  
CITIZENS GAS AND COKE UTILITY FOR (1) )  
AUTHORITY TO INCREASE ITS RATES )  
AND CHARGES FOR GAS UTILITY )  
SERVICE AND APPROVAL OF A NEW )  
SCHEDULE OF RATES AND CHARGES )  
APPLICABLE THERETO, (2) AUTHORITY, )  
TO THE EXTENT NECESSARY AS AN )  
ALTERNATIVE REGULATORY PLAN, TO )  
RECOVER THE GAS COST COMPONENT )  
OF ITS NET WRITE-OFFS IN ITS GAS COST )  
ADJUSTMENT FILINGS, (3) AUTHORITY )  
PURSUANT TO 170 IAC 5-1-27(F) FOR A )  
NON-GAS COST REVENUE TEST TO )  
DETERMINE WHEN DEPOSITS ARE )  
REQUIRED FOR EXTENSION OF )  
FACILITIES, (4) APPROVAL OF OTHER )  
CHANGES TO ITS GENERAL TERMS AND )  
CONDITIONS FOR GAS SERVICE, AND (5) )  
APPROVAL OF NEW DEPRECIATION )  
ACCRUAL RATES. )

CAUSE NO. 43463

PREHEARING CONFERENCE AND  
PRELIMINARY HEARING ORDER

APPROVED: APR 23 2008

BY THE COMMISSION:

Gregory D. Server, Commissioner

William G. Divine, Administrative Law Judge

Angela Rapp Weber, Administrative Law Judge

On March 18, 2008, the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis, as successor trustee of a public charitable trust, d/b/a Citizens Gas and Coke Utility ("Petitioner") filed the above captioned Petition with the Indiana Utility Regulatory Commission ("Commission").

Pursuant to notice, a Prehearing Conference and Preliminary Hearing in this Cause was held in Room 224, National City Center, 101 West Washington Street, Indianapolis, Indiana at 9:30 A.M., E.D.T. on April 14, 2008, pursuant to 170 IAC 1-1.1-15. Proof of publication of the notice of the Prehearing Conference and Preliminary Hearing was incorporated into the record and placed in the official files of the Commission.

A Petition to Intervene was filed in this Cause on April 10, 2008, by a group of Petitioner's industrial customers known as Citizens Industrial Group. Immediately after opening the record in the Prehearing Conference and Preliminary Hearing, and after due consideration, the pending petition to intervene was granted without objection. The Petitioner, the Indiana Office of Utility Consumer Counselor ("Public"), and Citizens Industrial Group appeared by Counsel at the Prehearing Conference and Preliminary Hearing and participated therein.

Prior to the opening of the record in this Cause and with the agreement and consent of all parties at the Prehearing Conference and Preliminary Hearing, informal discussions were held regarding the procedural and scheduling matters in this Cause. A record was then made of the agreements reached by the parties during these discussions. The Commission now enters the following Findings and Order which should become a part of the record in this proceeding.

1. **Notice and Jurisdiction.** Due and proper notice of the Prehearing Conference and Preliminary Hearing was given and published by the Commission as required by law. The Commission has jurisdiction over the Petitioner and the subject matter of this Cause.

2. **Test Year and Accounting Method.** The test year to be used in determining Petitioner's actual and pro forma operating revenues, expenses and operating income under present and proposed rates should be the twelve (12) months ended September 30, 2007, adjusted for changes that are fixed, known and measurable for ratemaking purposes and that will occur within twelve months following the end of the test year.

3. **Rate Base Cut-off Date.** The cut-off date for accounting and engineering evidence to be presented pursuant to Ind. Code § 8-1-2-6 for determining the fair value of all elements of Petitioner's rate base, should be September 30, 2007.

4. **Petitioner's Prefiling Date.** On March 18, 19, and 28, 2008, Petitioner prefiled with the Commission its prepared testimony and exhibits constituting its case-in-chief.

5. **Field Hearing.** A public field hearing to provide interested ratepayers with an opportunity to offer comments concerning this Cause should be held in the City of Indianapolis, the largest municipality served by Petitioner, at a date, time, and location to be later determined by the Commission.

6. **Settlement.** If a settlement is reached, the parties should file with the Commission their written settlement agreement and all evidence in support of the settlement on or before June 30, 2008, and a settlement hearing should be conducted in this Cause on July 14, 2008, at 9:30 A.M., in Room 222, National City Center, 101 West Washington Street, Indianapolis, Indiana. In the event a settlement of all of the parties, or to which no party objects, is presented at the settlement hearing which covers any or all issues in this Cause and which is supported by substantial evidence, the Commission may proceed to issue

an order or orders resolving the settled issues without the need for further evidentiary hearings concerning those issues.

If a settlement is not reached, the parties should file with the Commission, either jointly or separately, on or before June 30, 2008, a status report on the progress of settlement discussions that also identifies the issues that remain in dispute.

7. **Public's and Intervenors' Prefiling Date.** The Public and all Intervenors should prefile with the Commission, the prepared testimony and exhibits constituting their respective cases-in-chief on or before July 23, 2008. Copies of all prefiled testimony and exhibits should be served on all other parties.

8. **Rebuttal and Cross-Answer Prefiling Date.** On or before August 20, 2008, Petitioner should prefile with the Commission and serve on all parties of record the prepared testimony and exhibits constituting its rebuttal case and the Public and all Intervenors should prefile with the Commission and serve on all parties of record any cross-answering testimony and exhibits responding to the cases-in-chief prefiled by parties other than Petitioner.

9. **Evidentiary Hearing.** Absent settlement, an Evidentiary Hearing should commence in this Cause at 9:30 A.M. on September 8, 2008, in Room 222 of the National City Center, 101 West Washington Street, Indianapolis, Indiana, and continue, as necessary, day to day thereafter. At such time, the prefiled direct evidence of the respective parties should be presented and their respective witnesses examined. Thereafter, Petitioner should present its prefiled rebuttal evidence as well as any additional evidence rebutting evidence adduced on cross-examination of Public's or Intervenors' witnesses.

10. **Witness Order.** Parties should submit their intended order of witnesses to the Commission and the parties in writing at least 72 hours in advance of each hearing.

11. **Objection to Prefiled Testimony and Exhibits.** Any objection to the admissibility of prefiled testimony or exhibits should be filed with the Commission and served on all parties of record no less than two (2) business days prior to the date scheduled for commencement of the hearing at which the testimony or exhibit will be offered into the record.

12. **Correction to Prefiled Testimony and Exhibits.** Any correction to prefiled testimony or exhibits should be filed with the Commission and served on all parties of record no less than two (2) business days prior to the date scheduled for commencement of the hearing at which the testimony or exhibit will be offered into the record. If corrections to an exhibit appear in multiple iterations or are extensive, the exhibit with corrections incorporated should be rebound as necessary to minimize confusion over the substance and pagination of the exhibit.

13. **Copies.** Except for work papers, an original and five (5) copies of all prepared testimony and exhibits should be filed with the Commission. Although Commission rules require that original copies be one-sided, it is the Commission's preference that

duplicate copies use both sides of the paper. During the course of any hearing in this Cause, parties should provide copies of any exhibits or materials entered into evidence, which were not prefiled, to the presiding officers and assigned Commission staff.

14. **Work Papers.** Whenever any party serves its prefiled testimony and exhibits, it should also transmit copies of work papers of the witnesses within two (2) working days. Two (2) copies of work papers should be served on the Commission and one (1) copy to each other party of record.

15. **Stipulations.** After the prefilings of testimony as provided for herein, all parties are encouraged to consult on a timely basis concerning whether any prefiled evidence can be the subject of a stipulation among the parties.

16. **Sworn Testimony.** Any witness testimony to be offered into the record of this proceeding should be made under oath or affirmation. In accordance with 170 IAC 1-1.1-18(h), if the prefiled testimony of a witness is to be offered into evidence at the evidentiary hearing, and the witness sponsoring the prefiled testimony is not required to, and does not, attend the evidentiary hearing, the prefiled testimony should be accompanied by the witness's sworn affidavit or written verification at the time the evidence is offered into the record.

17. **Discovery.** Discovery should be conducted in accordance with the Commission's rule at 170 IAC 1-1.1-16 and the discovery rules set forth in Indiana Trial Rules 26 through 37, except that:

a.) responses or objections to discovery requests should be provided within ten (10) working days following receipt of such discovery, absent agreement of the parties to an extension or the granting of an extension by the Commission;

b.) following the submission of the Public's and Intervenors' cases-in-chief, responses or objections to discovery should be provided within five (5) working days;

c.) following the submission of Petitioner's rebuttal evidence, responses or objections to discovery should be provided within five (5) calendar days and transmitted via email if practicable;

d.) with the exception of receipt on a day preceding a state holiday, discovery requests received Monday through Thursday after 4:30 P.M. should be deemed received the next business day;

e.) discovery requests received after 12:00 Noon on either a Friday or a day preceding a State holiday, should be deemed received the next business day.

18. **Intervention.** Pursuant to 170 IAC 1-1.1-11, any party permitted to become an Intervenor in this Cause should be bound by the record as it stands at the time its Petition to Intervene is granted.

19. **Post-Hearing Schedule.** All parties should file proposed orders on or before October 1, 2008. All parties should simultaneously file replies or exceptions to proposed orders on October 15, 2008.

**IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:**

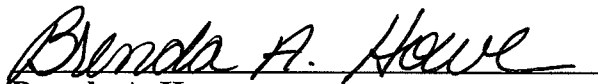
1. The determinations of the Prehearing Conference and Preliminary Hearing as set forth in the above Findings are hereby made a part of this record and shall be binding upon all present and future parties of record during the proceedings in this Cause.

2. This Order shall be effective on and after the date of its approval.

**GOLC, SERVER, AND ZIEGNER CONCUR; HARDY AND LANDIS ABSENT:**

**APPROVED: APR 23 2008**

**I hereby certify that the above is a true  
and correct copy of the Order as approved.**

  
**Brenda A. Howe**  
**Secretary to the Commission**